

FISH MANAGEMENT DIVISION: ACTIVITY AND COST ANALYSIS

SCOPE AND OBJECTIVES

APRIL 2003



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

STUDY TEAM

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Background

The mission of the state Department of Fish & Wildlife is to protect, restore, and enhance fish and wildlife and their habitats, while providing sustainable fish- and wildlife-related recreational and commercial opportunities. In addition to the Fish & Wildlife Commission and the Director's Office, the Department is organized around five major program areas: Fish, Wildlife, Habitat, Enforcement, and Business Services. Of these, the Fish Program is the largest in terms of operating expenditures and number of employees. The Fish Program itself is made up of four divisions: Administrative Operations, Science, Hatcheries, and the focus of this particular study, **Fish Management**.

The **Fish Management Division** is involved in Washington's complex management system for salmon and steelhead. The Division also has responsibilities related to inland fish species such as trout and bass, marine species such as rockfish and halibut, and shellfish such as crab and clams. In 2001-03, the Fish Management Division's operating budget is approximately \$36.3 million, with the largest portion of funds coming from General Fund-State (45 percent), and the remaining dollars coming from multiple sources, including federal and local funds. The Division employs just under 300 FTEs, with 94 percent of these FTEs operating in the field.

JLARC Study Mandate: Identifying the Activities and Associated Costs of the Fish Management Division

In recent years, the Office of Financial Management and the Legislature have faced challenges in obtaining clear information about the activities undertaken by the Fish Management Division in meeting its various responsibilities. In the 2002 Supplemental Operating Budget (ESSB 6387; C 371 L 02), the Legislature directed JLARC to "identify those actual functions carried out by the Fish Management Division, including all expenditures by fund source linked to those functions." JLARC was further directed to provide additional information about the Division's activities, such as distinguishing those activities that are mandated by court decisions from those that are discretionary, and evaluating how performance in meeting department goals and objectives is measured and reported.

Activity-Based Costing

The Department of Fish & Wildlife underwent an independent review of its financial operations and business management practices in 1998. One key issue identified in this review was the Department's need for an appropriate cost accounting system. In late 2000, the Department of Fish & Wildlife began exploring the implementation of an activity-based costing system. Such a system will allow the Department to identify its activities and associated costs in a more detailed manner than provided by current accounting and budgetary systems.

Activity-based costing assists organizations in determining the actual cost of a service or function and the extent to which an increase or decrease in available resources may impact the level of services or functions provided. Additionally, an activity-based costing system can illustrate how well an agency's activities align with its strategic goals and objectives.

Over the next few months, the Department of Fish & Wildlife will be moving forward with its efforts to implement an activity-based costing system. The Department's program managers will be identifying major activities performed by staff and verifying how resources are allocated among those activities. For example, the Fish Management Division will be reviewing the number of staff and the costs involved in monitoring the harvest of fish and shellfish by Washington's commercial and recreational fishers.

Proposed Study Scope

This JLARC study will illuminate the activities of the Department of Fish & Wildlife's Fish Management Division, including the staffing and expenditures associated with these activities. The study will then link these identified activities to the other topics of interest identified in the JLARC study mandate (see Objective #2 below).

Proposed Study Objectives

1. **Identify the activities of the Fish Management Division.** It is our intent to construct a list of activities performed by the Division that is compatible with the agency's overall activity-based costing effort so that the more detailed information collected by the JLARC study can be incorporated into the Department's new system.
2. **Link the identified activities to the issues of interest in the JLARC study mandate:**
 - Identify activity expenditures by fund source;
 - Determine the agency's rationale for its current staffing and expenditure levels;
 - Distinguish whether the activity is required (e.g., by court order, state law, etc.) versus discretionary;
 - Review the extent to which the activity contributes to meeting legislative intent or agency goals and objectives; and
 - Evaluate how activity performance is measured and reported.

Study Timeframe

This study will be completed by December 2003.

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